





Prego

Mitchell's

Campbell Canada chooses only the finest quality ingredients for its wide variety of food products. The cover depicts some of these—tomatoes grown to Company specifications, chicks raised at Campbell's own farm and quality olives imported from Spain.

Campbell Soup Company Ltd, incorporated in November 1930, established its original soup manufacturing plant and head office in New Toronto, now part of Metropolitan Toronto, and began making soup in 1931.

Today, with its head office still on the same site and sales offices in most regions of Canada, the Company employs more than 2,300 people and produces more than 250 products in 11 manufacturing plants in five provinces. The Company also owns and operates three farms, which supply mushrooms and poultry.

Campbell's products, sold under various brand names, consist chiefly of canned foods—including some 50 varieties of soup—under the *Campbell's* and *Franco-American* brands, *Swanson* frozen prepared meals and entrees, *Pepperidge Farm* frozen baked desserts, *Allen's* fruit juices, "V-8" *Vegetable Juice*, *Gattuso* pastas and other Italian specialties, and condiments including *Bisto*, *A-1 Sauce* and *Allen's* vinegar.

Until this year, the Company was a wholly-owned affiliate of Campbell Soup Company (U.S.). In July 1983, the U.S. company through a subsidiary sold 2,250,000 shares to the Canadian public, representing 30 percent of its equity in Campbell Canada. Campbell Soup Company Ltd is now listed on The Toronto Stock Exchange, Montreal Exchange and The Vancouver Stock Exchange, under ticker symbol CSC.

Annual Meeting

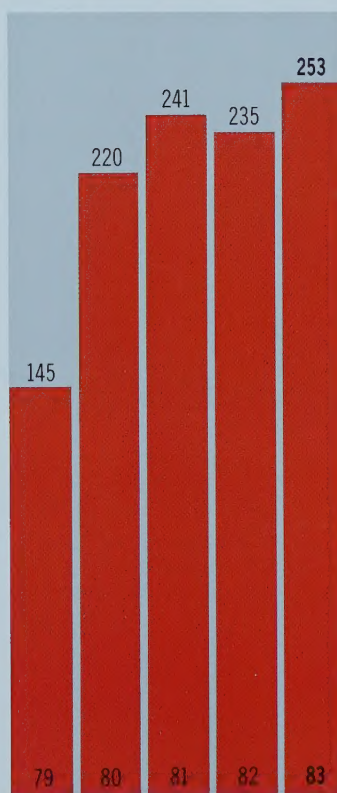
The annual meeting of shareholders will be held in the Regency West Room at the Four Seasons Hotel, 21 Avenue Road, Toronto, Ontario, on November 30, 1983, at 11:00 a.m. EST. Luncheon will be served following the meeting.

V-8

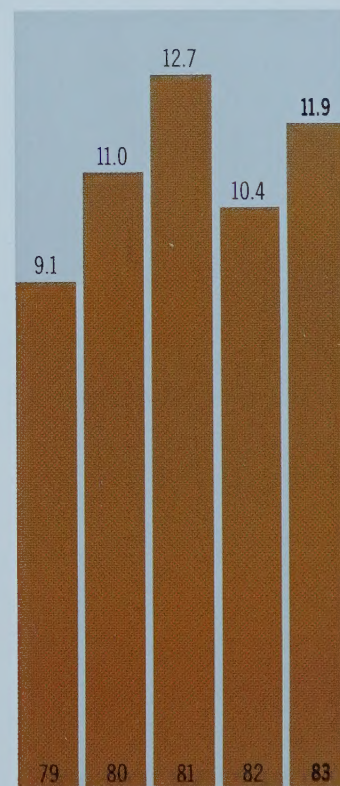
Financial Highlights

(in thousands of dollars except
per share amounts)

	July 31, 1983	August 1, 1982	% Change
Operations			
Net sales	\$253,343	\$235,360	7.6
Earnings before taxes	19,183	17,322	10.7
Net earnings	11,925	10,361	15.1
Financial position			
Working capital	53,611	51,057	5.0
Shareholders' equity	66,227	84,308	(21.4)
Total assets	114,522	114,436	0.0
Per share			
Net earnings	1.59	1.38	15.2
Book value	8.83	11.24	(21.4)
Key ratios			
Return on net sales	4.7%	4.4%	
Return on shareholders' equity	15.8%	12.4%	
Current ratio	3.4:1	3.2:1	



Net Sales (\$ millions)



Net Earnings (\$ millions)

Fiscal 1983 will be remembered as the year when Campbell Soup Company Ltd became public in this country and nearly a thousand Canadians decided to share in its ownership.

At a more personal level, I will remember it as the year when, late in the third quarter, I joined Campbell Canada as President and Chief Executive Officer.

Investors in general may well remember it as a year when growth in the Canadian food business was sluggish at best and Campbell Canada's sales volume was basically stable. But, fortunately, the volume of cases sold does not tell the whole Campbell story for fiscal 1983. Net sales for the year amounted to \$253 million, up 7.6 percent from last year's total of \$235 million.

And thanks to some resourceful improvements in manufacturing productivity and some softening in ingredient prices, earnings increased even more, up 15 percent to \$11.9 million in 1983 from \$10.4 million in 1982. Earnings per share increased to \$1.59 from \$1.38 in fiscal 1982.

Highlights of the Year

Among the major events of the past year, three seem certain to affect the Company's fortunes or directions for some time to come. One is the decision made a year ago to strengthen substantially the Company's marketing efforts including the appointment of Norman Barnes as Vice President-Marketing. Since then, he has put together a marketing team of uncommon skill and energy.

Effective marketing combined with our traditional strengths is the key to the growth and future success of this Company. In the past when the food industry was expanding in

step with a growing economy, the Company could succeed and grow simply by relying on its quality products produced in modern, efficient facilities. But in the highly competitive 1980s with our markets under pressure, we must do more. Products no longer sell themselves; they have to be sold, and sold hard, through aggressive and compelling marketing campaigns.

A second noteworthy event of the past fiscal year was the appearance of several exciting new products that promise to make fiscal 1984 a memorable year. Two such items—Prego Spaghetti Sauce and a line of Vegetables in Pastry marketed under the Pepperidge Farm brand—originated with Campbell U.S. and are already best-sellers south of the border. Prego's introduction in Ontario was so successful that distribution was expanded in July. Two other new product entries—frozen Chicken Burgers and frozen Chicken Sticks sold under the Swanson brand—are Campbell Canada creations that are catching on fast, especially with youngsters.

The third major change in fiscal 1983 was, of course, the sale of \$36 million in common shares that enabled Canadians to become shareholders in this Company for the first time. Preliminary discussions about going public took place as far back as the early 1960s, more serious consideration was given in the mid 1970s, and the formal commitment was made in 1979 when Campbell Canada acquired CanVin Products Limited. However, not until this year were conditions right for such a move.

Besides the advantages of being a public company, Campbell Canada still has the opportunity to draw on the invaluable advice and support of Campbell U.S. We enjoy a full exchange of ideas, formulae and technology and this is one industry where the practice of recipe-swapping can produce multi-million dollar results. I think we have the best of both worlds: the benefit of U.S. experience and support, plus the freedom to adapt products and programmes to meet Canadian needs. We

also believe the active interest of our Canadian shareholders, each one of them a consumer of food products, will keep all of us on our toes.

Financial Position

Much as the Company might have wished for a more amenable economic climate in fiscal 1983, no one can fairly complain about the Company's financial position at year end. By any standard the Company's balance sheet is strong. The ratio of current assets to current liabilities is 3.4 to 1 and debt represents only 22 percent of capital employed, well below the debt levels of many Canadian food companies. Cash and temporary investments alone total more than \$15 million. At the same time short-term bank borrowings are minimal and the only long-term debt consists of \$20 million recently borrowed in order to pay the majority shareholder a special dividend.

For 30 years or more, the U.S. parent Company built up its equity in Campbell Canada. A consistently strong cash flow combined with below average dividend payments through the years permitted the Company to grow with limited use of outside debt.

In 1979 Campbell U.S. began to hold down its level of equity by taking dividends equivalent to annual net earnings. This policy, which continued for four years, stabilized the Company's book value, eventually making it



C. David Clark, President and Chief Executive Officer (left) and Alexander M. Williams, Chairman of the Board.

possible to sell its shares at a reasonable price.

In June a quarterly dividend of 13 cents per share was declared signaling the intention on the part of the Board of Directors to initiate a dividend policy consistent with food industry norms.

In summary, we now have access to the public equity markets in Canada as well as a substantial reserve of borrowing capacity. This financial strength combined with a continuing strong cash flow provides us with flexibility in financing future growth.

Planning for the Future

The Company is in the process of developing a new strategic plan which will permit it to set specific growth and rate of return objectives for the 1980s. Whereas many organizations conduct strategic planning from the top down, Campbell Canada's exercise involves input and discussion from both directions—top down and bottom up. Some 50 members of senior and middle management are examining the Company's problems and prospects preparatory to setting out our longer term objectives and developing the strategies necessary to achieve them.

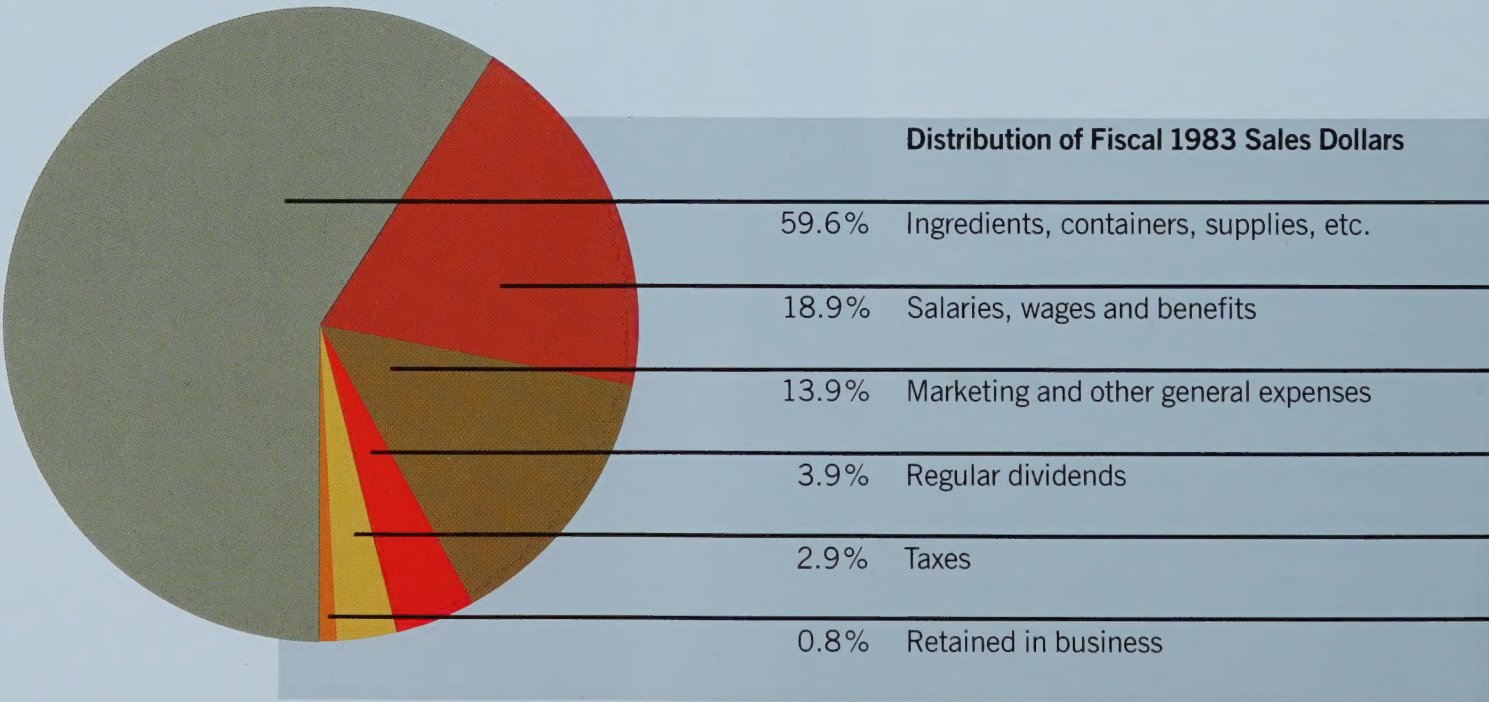
Through this planning process, which will be completed by next spring, we will provide the direction for future development of this Company. Fortunately, we are working from a position of strength—strength in the marketplace, strength on the balance sheet, and most of all, strength in our human resources.

Commitment to People

The success of a company and its managers depends to a large extent on their ability to relate well to people both inside and outside the organization. In fiscal 1983, Campbell Canada continued to work at fostering its already good relations with employees, customers, consumers and the public at large.

New directions in marketing and public relations led to the appointment of Campbell Canada as an official supplier to the Canadian Figure Skating Association and Canada's national figure skating team. Preliminary planning also went ahead for establishment of a Campbell Institute for Fitness and Nutrition, to be modeled after a similar body in the U.S. Both activities underline the Campbell com-

Distribution of Fiscal 1983 Sales Dollars



mitment to encouraging and supporting Canadians in pursuit of a healthy lifestyle.

A major change in our senior management also deserves mention here. After 23 years in Canada, John Hospodar, our Senior Vice President-Controller and Secretary, is returning to the United States, where he has been promoted to Vice President-Controller of the International Division of the Company. While we will miss the benefits of his financial acumen and sound advice, we are pleased that he will still be associated with us, and we wish him well.

I want to take this opportunity to thank the people who have contributed most to the long and envied success of Campbell Canada: our production workers, our sales people, the people who staff our offices and laboratories, and those who lead all these functions. I doubt whether the employees of any other company demonstrate, day after day, year after year, the energy, loyalty and dedication that characterize the people who work at Campbell.

This report would be incomplete without some expression as well of my gratitude to my senior colleagues—board members, Company officers and others—for their generous cooperation, encouragement and support since I joined the Company. Their positive attitudes and their capacity for sound judgement have reinforced my belief that there is virtually no limit to the extent to which this Company can prosper or the direction in which it can grow.

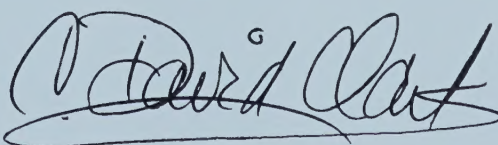
Outlook

While we have seen some improvement in total food sales in the last six months, the industry is not showing signs of any significant turnaround for 1984. Again this year, the profitability of food companies will be determined by their ability to control costs.

Our record with cost improvement programmes last year gives us confidence that we will be able to maintain our position among the most efficient producers in the industry.

We see 1984 as a year in which we build momentum for the future growth of the Company. Unlike many food companies in Canada, we need not search for growth opportunities; they are to be found in every segment of our business. We successfully introduced a number of new products in 1983 and will do so again in 1984. Even in declining segments such as frozen prepared meals, a line of new gourmet quality meals called Le Menu has met great success in the U.S. and will be introduced to a test market in Canada shortly. We are also working on a line of good tasting low sodium soups which have great promise. Indeed, the big task is not to find the opportunities but to decide which of many should be pursued first.

Among consumers from coast to coast, Campbell's Soups and brands such as "V-8", Pepperidge Farm and Swanson enjoy a degree of brand recognition and loyalty that is the envy of the Canadian food industry. To build on this base is a challenge we accept, confident that the skills of our people coupled with the depth of their commitment to our new strategic approach will assure our continued success.




C. David Clark
President and Chief Executive Officer

October 11, 1983



Campbell's wide selection of market leaders.

- Plant
- Farm
- District Sales Office

Campbell Canada at a Glance

Campbell Canada is a broadly based processed food Company with a variety of products that satisfy the tastes and eating habits of millions of Canadians. Whenever Canadians desire wholesome nutritious foods at reasonable prices, Campbell is well represented with products that are undoubtedly market leaders.

All major supermarket chains as well as the thousands of cooperative and independent grocery stores across the country feature Campbell brands whether in soups, juices, frozen foods, condiments or Italian specialties. The Company is also a major force in the growing food service industry which caters to the away-from-home eating needs of consumers. It supplies a wide range of specially prepared products to thousands of restaurants, fast food outlets and institutions such as hospitals, schools, nursing homes and camps.

Marketing and Sales

Through a carefully integrated sales and marketing effort, the Company effectively reaches all its customers coast to coast, whether a retail grocer or a large hospital. An experienced national sales force of 140 people located in six district sales offices from Dartmouth, N.S. to Burnaby, B.C., works closely with the Company's retail and food service customers. Supporting this direct sales effort is a strong product management team and a substantial level of direct advertising to the consumer. In addition to supporting the promotional efforts of its trade customers, the Company's advertising programme builds on the consumer loyalty that has made Campbell's No. 1.

Facilities

Campbell Canada's plants—with 2.2 million square feet of operating space—are regarded as among Canada's most modern and efficient food facilities.

In the last five years, the Company has invested \$22 million in capital improvements and expansion to maintain these high standards and to incorporate the latest in food technology. As the map indicates, the plants are strategically located to ensure that the Company has access to quality fresh produce.

It is not by coincidence that the "V-8" Vegetable Juice plant is located in Chatham, Ontario, an area considered to be the vegetable garden of Canada.

Research laboratories and test kitchens are maintained in Toronto and at other locations. In addition, agricultural research, including plant breeding, is carried out at the Company's greenhouses and laboratory in Chatham.

Ingredients, Packaging and Supplies

Campbell Canada spent close to 60 percent of its sales dollars in fiscal 1983 on ingredients, containers, and supplies with Canadian suppliers receiving the major share of these expenditures. Without question, Campbell Canada plays an important role in Canadian agriculture both as a grower of fresh produce and poultry and as a major purchaser of farm products in Eastern and Western Canada. Pre-season contracts are made with farmers for substantial quantities of such key ingredients as tomatoes, peas and carrots. As a major purchaser of fresh vegetables, the Company works hand in hand with farmers throughout the growing season to ensure the harvest produces vegetables that measure up to Campbell quality and standards.

From its own two farms, Campbell Canada is the largest single grower of fresh mushrooms in Canada. As well, broiler chickens and turkeys used in Swanson frozen products are grown at the Company's poultry farm. To provide the meats and broths required for its soup operations, the Company also purchases significant quantities of poultry for processing.

Campbell People

More than 2,300 people are the backbone of Campbell Canada. An average length of service of more than a decade is testimony to their dedication to the Company and its products. Some 240 of these Campbell people have been with the Company for more than 25 years.

Canned Foods

Of all Campbell Canada's products, none is more famous than the soups bearing the familiar red & white labels. Such is the recognition factor that when Canadians are asked to name the first brand of soup that comes to mind, three out of four will say, "Campbell's".

With its dominant share of the \$220-million Canadian soup market—over 60 percent of the canned soup market alone—Campbell Canada has for years enjoyed the economies of scale that make it possible to produce a high quality product and offer it for sale at an affordable price. The same advantage is also a factor in the production of other canned foods: Chunky Ready-to-Serve Soups; Bounty canned entrees; and Franco-American spaghetti, macaroni and gravies.

The Making of Soup

As with all its various products, Campbell's soups begin with carefully selected ingredients. The raw foods are washed, trimmed, scrupulously inspected and then processed in modern factory kitchens. The most modern machines automatically measure, combine and blend the ingredients—in many cases numbering in the dozens—according to unique Campbell recipes that have been long held trade secrets.

The Company's methods for manufacturing tomato soup—its biggest single product—are typical of Campbell standards and traditions applied throughout the Company's operations. Hundreds of thousands of tiny tomato plants, grown to Company specifications, are brought into southern Ontario and consigned to growers, who are also supplied with any advice they may need about the way the plants and their fruit are to be nurtured, cared for and harvested. The strain of tomato developed especially for Campbell's Tomato Soup is small and remarkably hardy to withstand both the Canadian climate and the rigours of being transported.

Only after hand-sorting and preliminary processing do these tomatoes reveal the lush, juicy interior colour and texture that provide the soup with its famous rich appearance, taste and aroma.

Visitors who tour the Toronto plant are often surprised at the urgency with which this soup-making must be undertaken. The reason is seasonal: only during a five-to-six week period in late summer and early autumn are the tomatoes ripe and ready for soup production. During this short harvest season Campbell prepares most of its tomato soup that will be consumed anywhere in Canada in the ensuing 12 months. At Campbell, tomatoes that arrive in the morning will be soup before evening—completely prepared, packaged and ready for shipment.

The care that Campbell Canada people take in the growing and selection of ingredients for making tomato soup is indicative of the attention that is given to the preparation of all Campbell products.

Outlook

The canned foods industry, including soup, has been considered to be mature for a number of years in Canada. However, Campbell with its famous red & white labels, holds the No. 1 spot and is in an excellent position to lead industry product changes and to capture new market niches. For example, consistent with the changing tastes of Canadian consumers, Campbell is gradually reducing the salt content in its regular and Chunky varieties of soup, although most soup lovers wouldn't notice the difference.

Close monitoring of taste trends also led to the development of a zestier spaghetti sauce. After outstripping all sales estimates in the U.S., Prego Spaghetti Sauce immediately captured a significant market share when introduced in Ontario. In July distribution was expanded to several other provinces and Prego is expected to produce excellent sales.

As the industry leader in soups and with a growing share of the spaghetti sauce market, the challenge is to build on Campbell's No. 1 position.



Fresh tomatoes arrive daily at the Company's Toronto soup manufacturing plant on Birmingham Street. Bessy Coniglio (left) and Stella Grygiel hand sort these tomatoes to ensure that only the finest ingredients are used in Campbell's soups.

SWANSON



An answer to so many eating occasions, Pepperidge Farm's new Vegetables in Pastry are produced at the Company's Listowel, Ontario, frozen food plant. Cathy Dingelstad is tamping the vegetable filling during the production process.

Frozen Foods

Working from a large, modern frozen food plant in Listowel, Ontario, 40 km north of Stratford, Campbell Canada produces a major share of the nation's frozen prepared foods. At this plant the Company has two distinct operations: the meat processing section which handles the Swanson brand of frozen dinners, entrees, meat pies and casseroles; and the frozen dessert operation which makes the Pepperidge Farm brand.

A number of the products produced are made specifically for the food service industry, a growing market segment for Campbell Canada. These products are similar to the frozen dinners, casseroles and desserts sold to the retail market, but are available in steam table trays and in sizes and quantities suitable for the food service sector.

During fiscal 1983, both Swanson and Pepperidge Farm developed important new products that are already showing signs of becoming permanent trend-setters.

Under the Swanson brand which accounts for more than 20 percent of the \$110-million market for frozen prepared food, the Company is offering two lines of snack or light meal foods that appeal especially to youngsters. Swanson frozen Chicken Burgers and Chicken Sticks which are now challenging traditional

fish sticks were conceived and developed by Campbell Canada's own R&D/Marketing team.

Under the Pepperidge Farm brand, food shoppers are offered a new, unique product, called Vegetables in Pastry, that could hardly be more in tune with the times. Encased in a light, flaky crust, these nouvelle cuisine style vegetables are the answer to so many eating occasions. They can be served as an appetizer, a quick light meal or as part of the main course. Vegetables in Pastry answer the growing demand for food that is nourishing, yet light and delicious.

To manufacture the quality of pastry required, the company installed the most modern pastry-making equipment which is capable of producing a melt-in-the-mouth product that no traditional machine could turn out. This equipment provides the opportunity to produce other unique pastry items that have not previously been available as frozen products.

The success of these new product lines is an example of the way Campbell management is developing frozen food products that satisfy new tastes and new lifestyles.



Beverages

“V-8” – A Canadian Tradition

Campbell’s “V-8” Vegetable Juice is sold nationwide. One of Campbell’s oldest and consistently strong sellers, “V-8” maintains its popularity because it can be enjoyed at any time of day. It is made from the goodness of Campbell tomatoes, to which the juices of seven other fresh vegetables are added. Although competition has grown in recent years as others have tried to copy the unique fresh vegetable taste of “V-8”, it is still the clear market leader in Canada’s \$50-million vegetable juice market.

Fruit Beverages

Campbell Canada is the leading producer of brand name apple juice in Eastern Canada marketed under two popular brand names, Allen’s and Mitchell’s. The Company also offers a broad line of other beverage products including orange juice, grapefruit juice, fruit drinks, and apple crystals.

Making the Best Apple Juice

Like many manufacturing enterprises, apple juice production is not quite as simple as it might seem. The trick is to find good, reliable supplies of apples that will make a product with a uniform and consistent flavour.

The best juice apples in the world can be found right here in Canada. In years when the

apple crop is plentiful, the Company is able to meet most of its juice requirements from fresh Canadian apples. However, in years when the fresh supply is not sufficient to meet demand, it is important that the Company has access to the best available concentrate for juice production.

In its quest for sources of concentrate that come as close as possible to fresh apples, Campbell Canada buyers not long ago embarked on an intercontinental search. South America and South Africa, because of their reversed seasons, have long been important sources of apple concentrate. As a result of the search, Campbell now has access on a worldwide basis to the best of concentrates.

Outlook

Beverages continue to outperform the rest of the food industry and Campbell sales in this area are growing. The Company has strong brands in the fruit and vegetable juice markets that are appealing more and more to nutrition-conscious Canadians.





The level of Vitamin C in beverages is monitored closely by Quality Control Chemist, Jack Wang. This is one example of the many quality checks made hourly in Campbell plants.



Italian Specialties

Through its Gattuso products, Campbell Canada has gained a significant entry into the market for ethnic foods—specifically Italian specialties that appeal to many people. Gattuso's creative packaging is well recognized in Quebec, its home market.

Gattuso produces a broad line of quality pasta products, and various tomato-based sauces and paste. It also imports high quality olives, olive oil, pimentos and gherkins from Spain. Interestingly, per capita consumption of olives in Quebec is twice that of the rest of Canada, and the distinctive Gattuso brand is No. 1 in that market.

As a modern producer of traditional Italian foods, many of Gattuso's products meet the back-to-basics trend for wholesome, home cooked food desired by today's consumers. Gattuso's tomato-based sauces are used to make spaghetti dishes, lasagna, pizza and other popular Italian meals. This line of products has experienced strong sales as consumers following the lead of professional athletes and marathon runners are eating more and more pasta as a valuable source of protein.

With the recent introduction of a product called Instant Snack in a Cup, Gattuso proved that its fine reputation in Italian products can be expanded successfully to other sectors of the food business. This convenient snack features noodles in six popular flavours including chicken, pork, and mac 'n cheese.

Condiments

While people generally associate vinegar with salads and fish and chips, most vinegar is consumed during the pickling and preserving season. As a result, the demand for vinegar has increased with the trend to home-made pickles and relishes in recent years.

Vinegars produced by the Company account for almost 50 percent of all vinegar sold in Canada. In addition to white, malt, red wine, cider and salad varieties, the Company produces a special extra-strength vinegar for pickling.

Among its condiment product group, Campbell has several other favourites used to add zest and spice to many foods. They include A-1 Steak Sauce, Paterson's Worcestershire Sauce, Paxo Stuffing and Bisto. While the market for each of these products is relatively small, the Campbell brands are well recognized and are important to Campbell Canada. For example, the popular Bisto brand has a 60 percent share of the gravy maker market.

Reginelli Tarquinio inspects finished pasta as it comes from the drying machine in Gattuso's Montreal plant.

Farm Produce

As a matter of long-standing policy, Campbell Canada prefers not to grow its own produce. Two exceptions, however, are mushrooms and poultry.

The Company operates two mushroom farms, one at Wellington, about 170 km east of Toronto, another at Portage la Prairie, about 80 km west of Winnipeg. Its poultry farm is located at Listowel, Ontario.

Poultry Production

Campbell purchases fowl for soups and other products from Canadian farmers. Its own operations grew out of a need for broiler chickens that are precisely the right size for the Swanson frozen dinner tray. Strict portion and quality controls require plump, small chickens grown to an exact weight. As these chickens were not readily available on the market, the Company started its own poultry operations to satisfy these needs. The Company also raises turkeys at these operations to satisfy its turkey requirements for soups and Swanson products.

Chicks are hatched in the Company's own hatchery from eggs produced by its own laying flocks. The chicks are grown for six to seven weeks in Company growing barns and nourished on carefully blended feed produced at the adjacent Company mill. As soon as they reach the ideal size, chickens are shipped live to another Company plant at St. Marys, Ontario. There, the birds are prepared for use in Swanson products.

Strict control over the entire operation ensures that Swanson tender and juicy

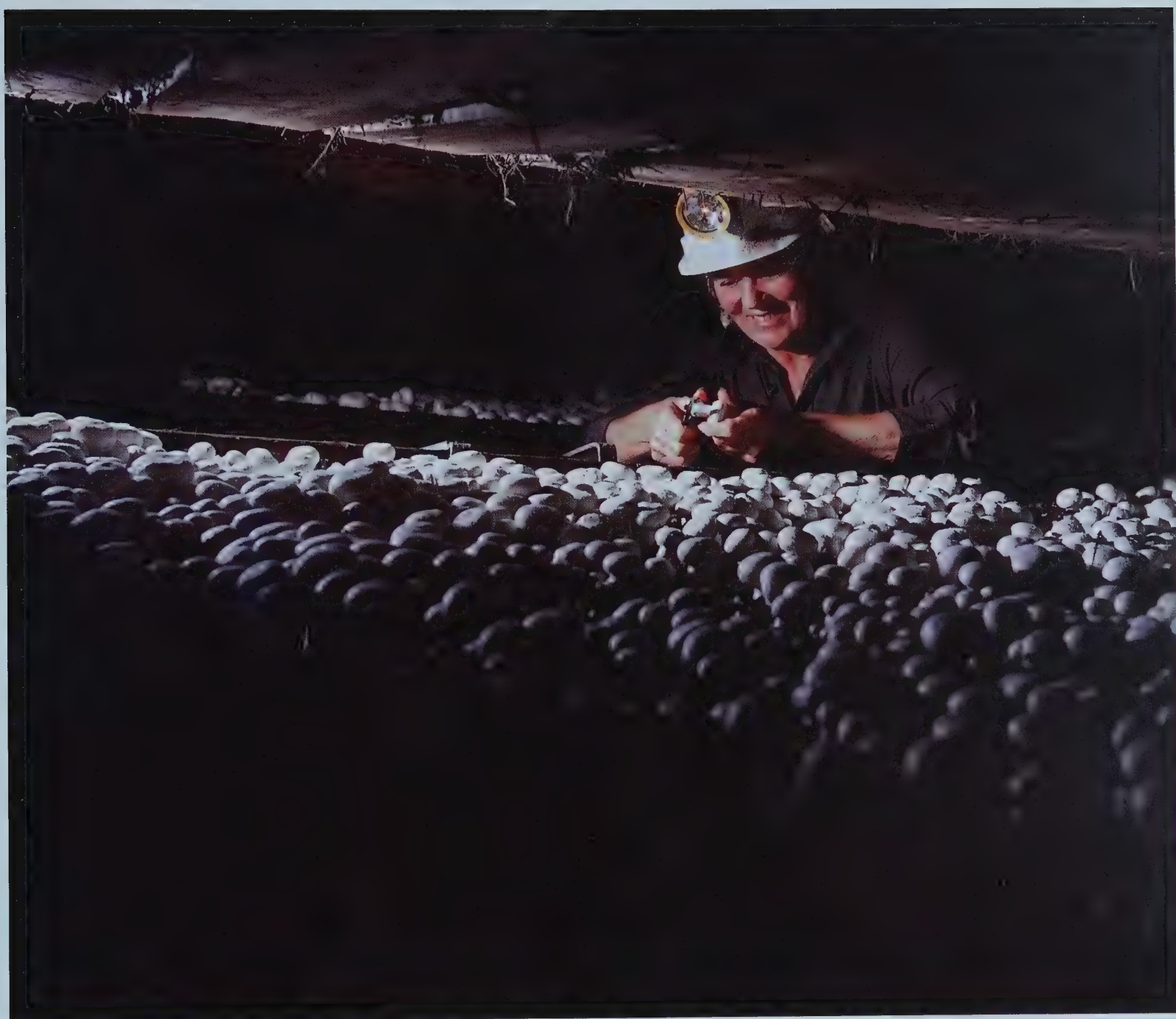
chickens are of uniform size and form, a combination which equates to efficiency, economy and quality.

Mushroom Production

Mushroom operations also grew out of a need to ensure a consistent supply of product. Millions of pounds of mushrooms go into Campbell's Cream of Mushroom Soup each year, and the market was not always able to satisfy these requirements.

Since it began its mushroom operation in Portage la Prairie in 1966, and in Wellington in 1970, production has grown substantially reaching approximately nine million pounds in fiscal 1983. Not only are all its own requirements satisfied, but Campbell has become a major supplier of fresh mushrooms to supermarkets and grocery stores in areas surrounding its farms.

A casual observer may think that growing mushrooms is easy. Actually modern mushroom production is a highly scientific business. Grown in specially built houses, they require careful control of climatic conditions. Temperature and humidity are monitored continuously and scrupulous bacteriological control is essential to ensure yield and quality. Campbell has been successful in achieving the optimum balance, making its operations among the most productive in Canada.



mushrooms



Mushrooms are grown in carefully controlled climatic conditions. Here, in one of the specially built houses at the Wellington, Ontario, farm, Gladys Ball picks mushrooms from the growing beds.

Consolidated Balance Sheet


(in thousands of dollars)

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	July 31, 1983	August 1, 1982
Current assets:		
Cash	\$ 21	\$ 148
Temporary investments, at cost which approximates market	15,393	8,439
Accounts receivable	14,642	15,706
Inventories (Note 2)	44,476	49,465
Prepaid expenses	1,202	833
	<u>75,734</u>	<u>74,591</u>
Plant assets (Note 3)	<u>38,788</u>	<u>39,845</u>
	<u>\$114,522</u>	<u>\$114,436</u>
Current liabilities:		
Bank indebtedness	\$ 3,238	\$ 7,732
Accounts payable and accrued liabilities	15,837	12,139
Due to affiliated companies	334	709
Income taxes payable	1,841	—
Dividend payable	873	2,954
	<u>22,123</u>	<u>23,534</u>
Note payable (Note 4)	<u>19,875</u>	<u>—</u>
Deferred income taxes	<u>6,297</u>	<u>6,594</u>
Shareholders' equity:		
Capital stock (Note 5)	2,500	2,500
Earnings retained in the business	63,727	81,808
	<u>66,227</u>	<u>84,308</u>
	<u>\$114,522</u>	<u>\$114,436</u>

The accompanying notes are an integral
part of the financial statements.

Approved by the Board:



Director



Director

Consolidated Statement of Earnings and Earnings Retained in the Business

(in thousands of dollars except per share amounts)

	52 weeks ended July 31, 1983	52 weeks ended August 1, 1982
Revenue:		
Net sales	\$253,343	\$235,360
Interest and other income	716	1,114
	<u>254,059</u>	<u>236,474</u>
Costs and expenses	234,315	217,857
Interest expense	561	1,295
	<u>234,876</u>	<u>219,152</u>
Earnings before taxes	19,183	17,322
Taxes on earnings	7,258	6,961
	<u>11,925</u>	<u>10,361</u>
Net earnings for the year		
Earnings retained in the business at beginning of year	81,808	80,922
Dividends:		
Regular	(10,006)	(9,475)
Special	(20,000)	—
	<u></u>	<u></u>
Earnings retained in the business at end of year	\$ 63,727	\$ 81,808
Earnings per share (Note 5)	\$ 1.59	\$ 1.38

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Financial Position

(in thousands of dollars)

	52 weeks ended	52 weeks ended
	July 31, 1983	August 1, 1982
Cash provided by:		
Operations—		
Net earnings for the year	\$11,925	\$10,361
Items not requiring the use of funds—		
Depreciation	3,996	3,762
Deferred income taxes	(296)	(372)
(Increase) decrease in operating working capital (see below)	4,273	993
Cash provided by operations	19,898	14,744
Sale of plant assets	399	211
Issue of note payable	19,875	—
Repayment of affiliated company notes	—	3,348
	40,172	18,303
Cash used for:		
Purchase of plant assets	3,339	6,300
Dividends	30,006	9,475
	33,345	15,775
Increase in cash and temporary investments	\$ 6,827	\$ 2,528
(Increase) decrease in operating working capital:		
(Increase) decrease in accounts receivable	\$ 1,064	\$ 7,305
(Increase) decrease in inventories	4,989	30
(Increase) decrease in prepaid expenses	(369)	(105)
Increase (decrease) in bank indebtedness	(4,494)	976
Increase (decrease) in accounts payable and accrued liabilities	3,698	(2,417)
Increase (decrease) in due to affiliated companies	(375)	36
Increase (decrease) in income taxes payable	1,841	(7,786)
Increase (decrease) in dividend payable	(2,081)	2,954
	\$ 4,273	\$ 993

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

July 31, 1983

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1 Summary of significant accounting policies:

Principles of consolidation—The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary company.

Inventories—Raw materials, containers and supplies are priced at cost but not in excess of current replacement cost. Finished products are priced at cost but not in excess of selling price less distribution costs. Cost for the Company is based on average cost and for the subsidiary is on a first-in, first-out basis.

Plant assets—Alterations and major overhauls which substantially extend the lives of properties or materially increase their capacity are capitalized. The amounts of property disposals are removed from plant assets and accumulated depreciation accounts and the differences included in earnings. Ordinary repairs and maintenance are charged to costs and expenses.

Depreciation—Depreciation provided in costs and expenses is on the straight-line method using rates designed to write off the cost of assets over their estimated useful lives.

Pension plan—The Company has a non-contributory pension plan covering substantially all employees. Past service pension costs are being amortized over the period to 1989.

Translation of foreign currencies—Monetary assets and liabilities denominated in United States dollars are translated at the approximate year-end rate of exchange. All exchange adjustments are taken to earnings.

Amortization of discount—The Company amortizes discount on notes payable over the term of the related obligation on a straight-line basis.

2 Inventories :

(in thousands of dollars)	1983	1982
Raw materials, containers and supplies	\$16,756	\$18,776
Finished products	27,720	30,689
	<u>\$44,476</u>	<u>\$49,465</u>

3 Plant assets :

(in thousands of dollars)	1983	1982
Land	\$ 1,005	\$ 1,005
Buildings	33,664	33,124
Machinery and equipment	52,717	51,187
Projects in progress	427	488
	<u>87,813</u>	<u>85,804</u>
Less: Accumulated depreciation	49,025	45,959
	<u>\$38,788</u>	<u>\$39,845</u>

Depreciation provided in costs and expenses was \$3,996,000 in 1983 and \$3,762,000 in 1982.

4 Note payable :

On July 28, 1983, the Company issued a promissory note in the amount of \$20,000,000 for net proceeds of \$19,875,000. The note bears interest at 11⅞% per annum and is repayable in five annual instalments of \$4,000,000 commencing July 27, 1989.

5 Capital stock :

Effective May 18, 1983 the Company's articles were amended to authorize an unlimited number of First Preference Shares, issuable in series, and to subdivide the 25,000 issued and outstanding common shares on a 300 for 1 basis. Following this amendment, the Company's issued and fully paid capital stock consists of 7,500,000 common shares without nominal or par value carried at \$2,500,000. Earnings per share have been adjusted to reflect the above subdivision of common shares.

6 Transactions with related parties :

The Company is a subsidiary of Campbell Investment Company, which is a wholly-owned subsidiary of Campbell Soup Company. The Company's operations include certain purchases of raw materials from and sales of finished products to affiliated companies. In addition, costs and expenses include amounts charged by Campbell Soup Company in respect of management advice and services. Such transactions are not significant to the Company's results.

7 Pension plan :

The total unfunded past service liability at December 31, 1982 has been estimated by independent actuaries to be approximately \$281,000.

Costs and expenses include pension expense of \$1,989,000 in 1983 and \$2,066,000 in 1982.

8 Segmented information :

The Company and its wholly-owned subsidiary are manufacturers, packagers and distributors of prepared convenience foods, and as such are considered to operate in a single industry. Export sales are not significant to the Company's results.

9 Lease commitments :

As at July 31, 1983, the minimum future operating lease commitments are as follows:

(in thousands of dollars)

1984	\$ 982
1985	820
1986	661
1987	457
1988	376
1989 and thereafter	697
	<u>\$3,993</u>

To the Shareholders of
Campbell Soup Company Ltd:

We have examined the consolidated balance sheet of Campbell Soup Company Ltd as at July 31, 1983 and the consolidated statements of earnings and earnings retained in the business and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at July 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants
Toronto, Canada

September 6, 1983

Five Year Review—Consolidated

(in thousands of dollars except
per share amounts)

	July 31, 1983	August 1, 1982	August 2, 1981	August 3, 1980	July 29, 1979
Operations					
Net sales	\$253,343	\$235,360	\$240,687	\$219,874	\$145,361
Interest and other income	716	1,114	1,812	1,075	1,811
Costs and expenses	234,315	217,857	220,168	200,096	131,711
Interest expense	561	1,295	728	1,330	—
Earnings before taxes	19,183	17,322	21,603	19,523	15,461
Taxes on earnings	7,258	6,961	8,940	8,535	6,354
Net earnings	11,925	10,361	12,663	10,988	9,107
Regular dividends	10,006	9,475	12,500	9,850	4,000
Depreciation expense	3,996	3,762	3,757	3,484	2,903
Purchase of plant assets	3,339	6,300	5,666	4,455	2,913
Year end financial position					
Current assets	75,734	74,591	79,293	70,532	63,937
Working capital	53,611	51,057	49,522	50,238	51,410
Plant assets (net)	38,788	39,845	37,518	37,229	34,454
Total assets	114,522	114,436	120,159	110,915	101,509
Long term debt	19,875	—	—	—	—
Shareholders' equity	66,227	84,308	83,422	83,259	82,121
Per share					
Net earnings	1.59	1.38	1.69	1.47	1.21
Book value	8.83	11.24	11.12	11.10	10.95
Ratios					
Current ratio	3.42:1	3.17:1	2.66:1	3.48:1	5.10:1
Return on net sales	4.7%	4.4%	5.3%	5.0%	6.3%
Return on shareholders' equity (average)	15.8%	12.4%	15.2%	13.3%	11.4%
Other data					
Number of shares outstanding	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Number of employees	2,386	2,523	2,469	2,691	2,743

Directors

Alexander M. Williams
Chairman of the Board
Campbell Soup Company Ltd
Executive Vice President
Campbell Soup Company and
President, Campbell International
Division, Camden, New Jersey

C. David Clark
President and Chief Executive Officer
Campbell Soup Company Ltd
Toronto, Ontario

W. Godfrey Drover
Senior Vice President—Operations
Campbell Soup Company Ltd
Toronto, Ontario

John H. Grisdale
Senior Vice President—
Administration and Corporate Services
Campbell Soup Company Ltd
Toronto, Ontario

Jacques J. Giasson
Chairman of the Board and
Chief Executive Officer
Groulx-Robertson Ltd.
Montreal, Quebec

Edward J. M. Huycke, Q.C.
Partner
Osler, Hoskin & Harcourt
Toronto, Ontario

Burton C. Matthews
President
University of Guelph
Guelph, Ontario

R. Gordon McGovern
President and Chief Executive Officer
Campbell Soup Company
Camden, New Jersey

George L. O'Leary
Chairman, President and
Chief Executive Officer
Scott Paper Company Limited
Vancouver, British Columbia

John A. Rhind
Chairman of the Board and
Chief Executive Officer
Confederation Life Insurance Company
Toronto, Ontario

Audit Committee

John A. Rhind, Chairman
C. David Clark
Jacques J. Giasson

Other Officers

John Hospodar, Jr.
Senior Vice President—
Controller and Secretary

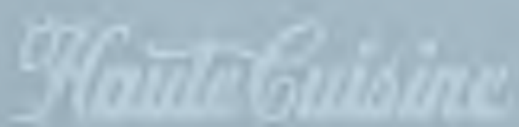
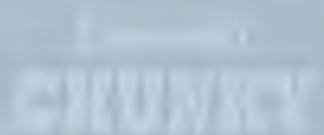
Peter M. Barkla
Vice President—Human Resources

Norman F. Barnes
Vice President—Marketing

Robert J. Galloway
Vice President—Advertising
and Marketing Services

Charles J. Gower
Vice President—Sales

William A. Craig
Treasurer



Plant Locations

Chatham, Ont.	Juices and vegetable processing
Listowel, Ont.	Frozen foods
St. Marys, Ont.	Poultry processing
Thornbury, Ont.	Juices and condiments
Toronto, Ont.	Canned foods
Toronto, Ont.	Juices and intermediate products
Portage la Prairie, Man.	Canned foods
Wolfville, N.S.	Juices and vinegar
La Salle, Que.	Juices and vinegar
Montreal, Que.	Italian specialties
Saskatoon, Sask.	Condiments

Farms

Listowel, Ont.	Poultry
Wellington, Ont.	Mushrooms
Portage la Prairie, Man.	Mushrooms

District Sales Offices

Dartmouth, N.S.	Winnipeg, Man.
Montreal, Que.	Calgary, Alta.
Toronto, Ont.	Burnaby, B.C.

Rapport annuel

Si vous désirez recevoir ce rapport en français, veuillez vous adresser au Secrétaire, Les Soupes Campbell Ltée, 60 Birmingham St., Toronto (Ontario) M8V 2B8.

General Office

Campbell Soup Company Ltd
60 Birmingham Street
Toronto, Ontario M8V 2B8
(416) 251-1131

Transfer Agent and Registrar

The Canada Trust Company
Montreal, Toronto, Winnipeg,
Regina, Calgary, and Vancouver



Campbell Soup Company Ltd
60 Birmingham Street
Toronto, Ontario M8V 2B8



This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States (including its territories and possessions) or to nationals or residents thereof as part of the distribution of these securities. These securities also may not be offered, sold or delivered to persons having principal addresses outside of Canada. Reference is made to "Plan of Distribution".

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Secondary Offering

Campbell SOUP Company Ltd

AR52

\$36,000,000

2,250,000 Common Shares

The Common Shares offered by this prospectus are being sold by Campbell Investment Company (the "Selling Shareholder") which is a wholly-owned subsidiary of Campbell Soup Company. Campbell Soup Company Ltd (the "Company") will not receive any of the proceeds of the sale of the Common Shares. After giving effect to this offering, the Selling Shareholder will own approximately 70% of the outstanding common shares of the Company.

The offering price of the Common Shares was determined by negotiation between the Selling Shareholder and the Underwriters. The Toronto Stock Exchange, The Montreal Exchange and the Vancouver Stock Exchange have conditionally approved the listing of the Common Shares. Listing is subject to the Company fulfilling all of the requirements of these Exchanges on or before October 14, 1983, including distribution of the Common Shares to a minimum number of public shareholders.

Price: \$16.00 per share

In the opinion of counsel, the Common Shares offered by this prospectus will qualify on the date of closing of this offering for investment under certain statutes as set out under "Eligibility for Investment".

	Price to public	Aggregate proceeds to Selling Shareholder	Underwriting fee	Net proceeds to Selling Shareholder (1)
Per share.....	\$16.00	\$16.00	\$0.84	\$15.16
Total	\$36,000,000	\$36,000,000	\$1,890,000	\$34,110,000

(1) Before deducting expenses of issue which, together with the underwriting fee, will be paid by the Selling Shareholder.

We, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when sold to us by the Selling Shareholder and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" and subject to the approval of all legal matters on behalf of the Company and the Selling Shareholder by Osler, Hoskin & Harcourt, Toronto, and on our behalf by Borden & Elliot, Toronto.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive share certificates for the Common Shares will be available for delivery on or about July 12, 1983.

BRINK HUDSON & LEFEVER LTD.
FOURTH FLOOR, 700 WEST PENDER STREET,
VANCOUVER, B.C. V6C 1C1

McLEOD YOUNG WEIR LIMITED

ST. JOHN'S	HALIFAX	SAINT JOHN	CHICOUTIMI	QUEBEC	SHERBROOKE	MONTREAL	MONTREAL CAPITOL CENTRE
OTTAWA	KINGSTON	TORONTO	NORTH YORK	TORONTO EATON CENTRE	HAMILTON	ST. CATHARINES	KITCHENER
LONDON	WINDSOR	WINNIPEG	REGINA	CALGARY	EDMONTON	VANCOUVER	VICTORIA
			NEW YORK	LONDON	ZURICH		

June 21, 1983



Prospectus Summary

The Offering

ISSUE:	\$36,000,000 (2,250,000 Common Shares of Campbell Soup Company Ltd).
PRICE:	\$16.00 per share.
SELLING SHAREHOLDER:	Campbell Investment Company, a wholly-owned subsidiary of Campbell Soup Company. After giving effect to this offering, the Selling Shareholder will own approximately 70% of the outstanding common shares of Campbell Soup Company Ltd.
DIVIDENDS:	On June 21, 1983, the board of directors declared a quarterly dividend of \$0.13 per share, payable on September 2, 1983 to shareholders of record on August 2, 1983. Reference is also made to Note 4 to the Selected Consolidated Financial Information below.
ELIGIBILITY:	In the opinion of counsel, the Common Shares will be eligible for investment under the Canadian and British Insurance Companies Act and certain other statutes.

Campbell Soup Company Ltd

The Company manufactures, packages and distributes prepared convenience foods. The Company believes that it is the largest manufacturer in Canada of condensed soup and frozen prepared dinners. It is also a major manufacturer in Canada of frozen meat pies, frozen pastries and cakes, vinegar, apple juice and various specialty food products. The Company sells more than 250 products under many well-known brand names. The Company is also engaged in mushroom growing, poultry raising and agricultural research.

Selected Consolidated Financial Information

(dollars in thousands except per share amounts)

	Nine months (1)		Fiscal years (2)				
	1983	1982	1982	1981	1980 (3)	1979	1978
	(unaudited)						
Revenue	\$197,420	\$186,465	\$236,474	\$242,499	\$220,949	\$147,172	\$130,692
Net earnings (4).....	9,031	7,503	10,361	12,663	10,988	9,107	8,551
Funds from operations (4)...	12,074	10,361	13,751	15,830	14,246	11,781	11,640
Total assets	114,908	117,422	114,436	120,159	110,915	101,509	91,941
Shareholder's equity (4)	87,464	84,925	84,308	83,422	83,259	82,121	77,014
Per common share (5)							
Net earnings	1.20	1.00	1.38	1.69	1.47	1.21	1.14
Book value	11.66	11.32	11.24	11.12	11.10	10.95	10.27

NOTES:

- (1) All references in this prospectus to the Company's nine-month fiscal periods are to the 39 week periods ending May 1, 1983 and May 2, 1982.
- (2) All references in this prospectus to the Company's fiscal years are to the 52 week periods ending August 1, 1982, August 2, 1981, July 29, 1979 and July 30, 1978 and to the 53 week period ending August 3, 1980.
- (3) Reflects the consolidation from August 1, 1979 of the businesses now operated by CanVin Products Limited. Reference is made to Note 2 to the consolidated financial statements.
- (4) On May 18, 1983, the board of directors declared dividends aggregating \$23.156 million payable to the Selling Shareholder. The Company has agreed in principle to fund the payment of \$20 million of such dividends through the issuance of unsecured long-term debt to an affiliate of Campbell Soup Company. Interest obligations on such indebtedness will reduce subsequent period net earnings and funds from operations.
- (5) After giving effect to the subdivision of the Company's common shares on a 300 for 1 basis which became effective on May 18, 1983.

The foregoing is a summary only and is qualified by the more detailed information appearing elsewhere in this prospectus.

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Eligibility for Investment

In the opinion of Osler, Hoskin & Harcourt and Borden & Elliot, the Common Shares will qualify on the date of closing of this offering as eligible investments, without resort to the so-called "basket" provisions, but subject to general investment provisions:

- (a) for insurance companies registered under the Canadian and British Insurance Companies Act (Canada) or the Foreign Insurance Companies Act (Canada), for certain insurers incorporated or organized under the Insurance Act (Ontario), for insurance companies governed by the Insurance Act (Alberta) and for insurance companies other than mutual associations regulated under an Act respecting insurance (Quebec);
- (b) for loan companies regulated under the Loan Companies Act (Canada) and trust companies regulated under the Trust Companies Act (Canada) and for loan corporations and trust companies registered under the Loan and Trust Corporations Act (Ontario);
- (c) for pension plans registered under the Pension Benefits Standards Act (Canada), the Pension Benefits Act (Ontario), the Pension Benefits Act (Alberta) and an Act respecting supplemental pension plans (Quebec); and
- (d) for trustees whose investment powers are governed by the Trustee Act (Alberta) and the Trustee Act (Ontario).

The Common Shares will also be eligible investments for trusts governed by registered retirement savings plans, registered home ownership savings plans, registered retirement income funds and deferred profit sharing plans under the Income Tax Act (Canada).

The Company

Campbell Soup Company Ltd (the “Company” which term includes, unless the context otherwise requires, its wholly-owned subsidiary CanVin Products Limited (“CanVin”)) was incorporated under the laws of Canada on November 28, 1930. The Company was continued under the Canada Business Corporations Act on January 1, 1980. By Certificates of Amalgamation dated February 25, 1980 and September 29, 1980, the Company was amalgamated with certain of its wholly-owned subsidiaries. The Company’s registered and principal office is located at 60 Birmingham Street, Toronto, Ontario.

By Certificate of Amendment dated May 18, 1983, the articles of the Company were amended to subdivide the issued and outstanding common shares of the Company on a 300 for 1 basis and to create a class of shares designated as First Preferred Shares.

From the date of the Company’s incorporation until February 24, 1982, it was a wholly-owned subsidiary of Campbell Soup Company. On such date, Campbell Soup Company transferred all of the issued common shares of the Company to the Selling Shareholder.

The Selling Shareholder

The 2,250,000 common shares offered by this prospectus (the “Common Shares”) are being sold by Campbell Investment Company, 3411 Silverside Road, Wilmington, Delaware, U.S.A. (the “Selling Shareholder”). The Selling Shareholder was incorporated in Delaware in 1981 and is a wholly-owned subsidiary of Campbell Soup Company. The Selling Shareholder is a holding company the assets of which consist of the shares of most of the subsidiaries of Campbell Soup Company.

The Selling Shareholder currently owns directly all of the issued and outstanding common shares of the Company. After giving effect to this offering, the Selling Shareholder will own approximately 70% of the issued and outstanding common shares of the Company. The Company will not receive any of the proceeds of this offering.

Campbell Soup Company

Campbell Soup Company (“Campbell Soup U.S.” which term includes, unless the context otherwise requires, its direct and indirect subsidiaries and its interests in joint ventures) was incorporated in New Jersey in 1922 as successor to a business established in 1869.

The primary business of Campbell Soup U.S. is the manufacture, packaging and distribution of prepared convenience foods. Campbell Soup U.S. believes that it is the largest manufacturer of condensed and ready-to-serve soup, vegetable juices, pickles and frozen prepared dinners in the United States. It is also a major manufacturer of canned beans, canned pasta products, tomato juice, frozen meat pies, frozen prepared seafood, frozen pastries and cakes and various specialty food products. It is also engaged in the candy, pet food, restaurant, garden center, mail order, poultry, plastics and fresh mushroom businesses which combined account for less than 10% of Campbell Soup U.S.’s sales, earnings or assets. Campbell Soup U.S. manufactures products in the United States, Argentina, Australia, Belgium, Canada, France, Italy, Mexico, The Netherlands, the United Kingdom and West Germany and markets its products in these and numerous other countries. Consolidated net sales for the fiscal year ended August 1, 1982 amounted to U.S. \$2.94 billion and consolidated net earnings were U.S. \$150 million. As at August 1, 1982, there were approximately 40,000 persons employed by Campbell Soup U.S.

The common shares of Campbell Soup Company are listed on the New York, Philadelphia and London Stock Exchanges.

Foreign Investment Review Act

The Company is a non-eligible person under the provisions of the Foreign Investment Review Act (Canada) and, as such, is required to obtain approval under that Act for acquisitions of control of Canadian business enterprises through the purchase of either shares or assets and for the establishment in Canada of any new business that is not related to an established business of the Company in Canada.

In connection with an acquisition made in 1979, the Company undertook to the Government of Canada pursuant to that Act to make available to Canadians, through a public share issue, a minimum of 30 per cent of its voting shares by December 31, 1984. This offering is consistent with that commitment.

Business of the Company

General

The Company manufactures, packages and distributes prepared convenience foods. The Company believes that it is the largest manufacturer in Canada of condensed soup and frozen prepared dinners. It is also a major manufacturer in Canada of frozen meat pies, frozen pastries and cakes, vinegar, apple juice and various specialty food products. In addition, the Company operates a Food Service Division which specializes in the sale and distribution of products to restaurants, institutions and government agencies under several of the Company's brand names. The Company is also engaged in mushroom growing, poultry raising and agricultural research.

Products

The following table sets forth the principal consumer brands of the Company, and the products manufactured and sold under each.

Campbell's

Condensed Soups
Chunky Ready-to-Serve Soups
Tomato Juice
Clam and Tomato Cocktail
Mushrooms

V-8

Cocktail Vegetable Juice
Spicy Vegetable Juice

Pepperidge Farm

Pastry Products
Layer Cakes
Loaf Cakes

Gattuso

Spaghetti
Macaroni
Sauces
Olives
Oil
Pickles
Tomato Products
Instant Snack In A Cup

Prego

Spaghetti Sauces

Paxo

Stuffing

Bounty

Canned Entrees

Swanson

Dinners
Entrees
Meat Pies
Casseroles

Allen's

Apple Juice
Apple Sauce
Fruit Drink
Apple Crystals
Vinegar

Mitchell's

Apple Juice
Apple Sauce

Franco-American

Spaghetti Products
Macaroni Products
Gravies

Bisto

Gravy Maker

A-1

Steak Sauce

Paterson's

Worcestershire Sauce

The Company owns certain trade marks used by it, including "Allen's", "Gattuso", "Mitchell's", "Prego", "Bisto", "Paxo", "A-1" and "Paterson's". Other trade marks used by the Company pursuant to registered user agreements include "Campbell's", "Swanson", "V-8", "Franco-American" and "Bounty", which are owned by

Campbell Soup Company and “Pepperidge Farm”, which is owned by Pepperidge Farm, Incorporated, a wholly-owned subsidiary of the Selling Shareholder. Although such registered user agreements may be terminated on reasonable notice, it is the policy of Campbell Soup Company that the Company has and will continue to have the right to use these and other trade marks of Campbell Soup U.S.

The Company currently sells more than 250 products in Canada under well-known brand names. In addition, CanVin sells selected products under private label to certain major supermarket chains.

Ideas for new products may originate through Campbell Soup U.S., the Company’s own research and development facilities, market analyses or the Company’s employees. Products are developed through a process of product and concept research in small and then larger market tests and eventually under market conditions which involve full advertising, promotional and sales support. New products introduced by the Company over the past three years include: new “Campbell’s” condensed soups and “Chunky” soups; “Swanson” Frozen Chicken Sticks and Chicken Burgers; “Gattuso” Instant Snack In A Cup; “Prego” Spaghetti Sauce; and “Pepperidge Farm” Vegetables in Pastry.

Research laboratories and test kitchens are maintained in Toronto and at other locations. In addition, agricultural research, including plant breeding, is carried out at the Company’s greenhouse and laboratory at Chatham, Ontario. Agricultural research is extended, where necessary, to field trials on Company land and rented acreage. During fiscal 1982, the Company spent approximately \$733,000 on research and development, compared to \$439,000 in the preceding year.

Competition

The prepared convenience food industry in Canada is characterized by intense competition in the marketing of all products. Competition arises from national, regional and local manufacturers whose products are either comparable to those of the Company or can be used in substitution for the Company’s products. In addition, similar products are prepared in the home. The Company believes that it enjoys a reputation for quality products and good price to value relationships.

The Company believes that the introduction of generic products on a broad basis has not significantly affected its sales volume, pricing practices or market share. This is due, in part, to the strong brand loyalty associated with many of the Company’s products and the limited penetration by generic products into the principal market segments served by the Company.

Marketing

Products are sold to chain, wholesale, cooperative and independent grocery accounts, to restaurants, institutions and government agencies, and through brokers and agents across Canada. The Company has sales offices in Dartmouth, Nova Scotia, Montreal, Toronto, Winnipeg, Calgary and Vancouver which have a total sales force of approximately 135 employees.

Since demand in Canada for products of the type manufactured by the Company is relatively stable due to the basic nature of these products, volume growth for the Company is attained primarily by increasing market share through product innovation and new product introduction. Strong brand loyalty is also extremely important and the Company, therefore, maintains a high level of advertising and sales promotion expenditures. During fiscal 1982 and the first nine months of fiscal 1983, the Company’s aggregate expenditures on advertising and sales promotion activities were approximately \$24.7 million and \$23.8 million, respectively. These amounts represent approximately 10.4% and 12.1% of revenue, respectively.

Ingredients, Packaging and Supplies

The Company manufactures its products from a wide variety of ingredients including vegetables, meats, poultry, eggs, vegetable oils, grains, dairy products, alcohol, sugar, fruits, seafoods, spices and other edible commodities. Pre-season contracts are made with farmers for a substantial portion of such major raw materials as tomatoes, peas and other vegetables. The pricing and/or production quantities of a majority of the Company’s raw materials are subject to regulation by marketing boards. Tomato and apple concentrates are purchased when required to meet consumer demand. Certain ingredients, including some vegetables, are purchased on the open market. Spice mixes are purchased from Campbell Soup Company.

It is the general policy of the Company not to grow ingredients. However, to satisfy its quality and supply requirements, the Company grows mushrooms at its mushroom farms in Wellington, Ontario and Portage la Prairie, Manitoba for use in the Company's products and for sale. In addition, the Company raises broilers and turkeys on its farms in the Listowel, Ontario area to supply a portion of its various poultry products. Other poultry and meats are purchased as required. All poultry is partially processed at the Company's St. Mary's, Ontario plant and then shipped to other Company plants where it is further processed for use in the Company's products.

Cans are purchased from a major Canadian can manufacturer under a long-term contract. Labels, cartons, cases and printing are obtained from a variety of Canadian suppliers. The Company manufactures the majority of aluminum containers required for its "Swanson" frozen food products in its Chatham plant.

Production and Facilities

Most of the Company's products are prepared from proprietary recipes and in accordance with established production procedures. These recipes and procedures are trade secrets and have been developed principally in the test kitchens and research laboratories of Campbell Soup Company. It is the policy of Campbell Soup Company that the Company has and will continue to have access to those production procedures and recipes developed by Campbell Soup U.S.

Raw food materials are carefully selected, washed, trimmed and inspected and then processed in modern factory kitchens. The finished product is automatically filled into steel cans or containers of aluminum, glass, plastic, paper or fiberboard which are sealed, sterilized or frozen, labeled and packaged. The Company maintains a program of strict quality control at each production facility from inspection of raw materials through each production stage to the testing of finished products.

The Company operates eleven food processing plants, two mushroom farms and poultry growing operations. The Company's largest production facilities are located at Toronto, Montreal, Listowel, Chatham and Portage la Prairie. The aggregate square footage of all the Company's production facilities is approximately 2,200,000, of which 81% is owned by the Company and the remainder is leased. All of the locations operate year-round although a significant percentage of production activity in some locations is tied to the harvest seasons for products such as tomatoes, apples, peas and corn.

The Company's plants at Toronto, Chatham and Portage la Prairie together produce a complete line of heat processed canned products and are located in areas with reasonable proximity to raw food materials. Operations at the Chatham plant also include the processing and freezing of vegetables for internal use. The Company has a large, highly automated frozen food plant in Listowel where "Swanson" and "Pepperidge Farm" frozen products are produced. The Portage la Prairie and Listowel plants also serve as area warehouse and distribution centres for "Swanson" and "Pepperidge Farm" products. The two Montreal plants, both of which are leased on a long-term basis, produce vinegar, juices, dry pasta products, olives and pickles.

The Company has maintained a program of capital improvement and expansion which has resulted in efficient plants producing quality products. Capital expenditures for land, buildings, machinery, equipment and capital improvements have exceeded \$22 million during the last five fiscal years.

Human Resources

The total permanent labour force of the Company is approximately 2,000 people. The Company has enjoyed very satisfactory relations with its employees during the past 50 years. Approximately 8.1% of the Company's total permanent labour force is unionized. The union members are employed by CanVin and represent a majority of its permanent labour force. The Company is a party to two collective agreements which expire in 1984 and 1985, respectively, and is in the process of negotiating another collective agreement to replace one which expired in January, 1983.

Relationship with Campbell Soup U.S.

The Company has an on-going business relationship with Campbell Soup U.S. and engages in transactions in the ordinary course of business with it. The material business relationships and transactions are set out below.

During the periods set forth below, the Company made purchases from and sales to Campbell Soup U.S. in the ordinary course of business approximately as follows:

<u>Fiscal years</u>	<u>Purchases</u>	<u>Sales</u>
		(\$000's)
1978.....	\$ 5,196	\$ 76
1979.....	12,318	353
1980.....	9,309	480
1981.....	10,788	4,825
1982.....	6,426	1,989
1983 (nine months).....	5,908	8,193

The Company's purchases from Campbell Soup U.S. include various ingredients of which tomato paste, beef and spice mixes account for the largest amounts. Sales to Campbell Soup U.S. by the Company consist of a variety of the Company's products, the number and volume of which vary from year to year. During the 1983 nine month period, the increased sales volume resulted from the purchase of large quantities of "Prego" spaghetti sauces by Campbell Soup Company in connection with the introduction of "Prego" in the United States.

Campbell Soup Company provides and intends to continue to provide certain technical and administrative services to its subsidiaries in order to effect economies in operations and to provide all such subsidiaries with equal access to the results of research and development of new products and other technical improvements. The Company pays an annual management and service fee to Campbell Soup Company in consideration for various services provided to the Company. Such fee has amounted to approximately \$1 million in each of the Company's last five fiscal years. The Company does not anticipate that the amount of such annual fee will vary materially subsequent to this offering.

The Company has agreed in principle to issue unsecured long-term debt to an affiliate of Campbell Soup Company in order to fund the payment of a special dividend declared by the Company payable to the Selling Shareholder. The terms and conditions of the debt will be not less favourable than those which would have been otherwise available to the Company in the Canadian debt market on the date of such agreement in principle. Reference is made to Note 1 under the heading "Consolidated Capitalization".

The Company uses certain trade marks owned by Campbell Soup U.S. Reference is made to "Products".

All transactions referred to above are on terms which the Company believes are fair and reasonable.

Occasionally, managerial and technical employees of the Company accept positions with Campbell Soup U.S. and employees of Campbell Soup U.S. accept positions with the Company.

Management's Discussion of Operating Results

The following table sets forth revenue and net earnings of the Company for the periods indicated.

	<u>Nine months</u>		<u>Fiscal years</u>		
	<u>1983</u>	<u>1982</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
	(unaudited)		(\$000s)		
Revenue	\$197,420	\$186,465	\$236,474	\$242,499	\$220,949
Net earnings	9,031	7,503	10,361	12,663	10,988

Until fiscal 1982, the Company had reported increased revenue each year since it began operations in 1931. Revenue and net earnings for fiscal 1981 increased by approximately 10% and 15%, respectively, over fiscal 1980. Such increases were due to higher selling prices. Despite the economic recession which commenced in late 1981, revenues for fiscal 1982 declined only marginally while net earnings declined by 18%. Although the Company was able to maintain and, in selected instances, to increase price levels during fiscal 1982, the reduction in net earnings was due primarily to a decline in total sales volume together with higher marketing, selling and interest expenses.

For the first nine months of fiscal 1983, revenue increased by approximately 5.9% over the comparable period in fiscal 1982, due primarily to the successful introduction of new products and selected selling price increases for

certain of the Company's major products. Net earnings increased by 20.4% as a result of the higher selling prices and management's continued efforts to reduce manufacturing costs.

Marketing expenses were higher by 22.9% over the comparable period in fiscal 1982, due to increases in advertising and sales promotion activities. These higher levels of advertising and sales promotion expenses are expected to continue.

The Company has in the past experienced moderate quarterly fluctuations in its sales and corresponding production. The results of the first nine months of fiscal 1983, therefore, are not necessarily indicative of the expected results for the year. In addition, subsequent period net earnings and funds from operations will be reduced by the Company's interest obligations on indebtedness incurred by it to fund the payment of the special dividend of \$20 million. Reference is made to "Dividend Policy and Dividend Record" for a discussion of the Company's dividend policy during the fiscal periods noted above and the special dividend.

Consolidated Capitalization

	Authorized	Outstanding June 1, 1983	Outstanding June 1, 1983 as adjusted (1)
Long-term debt		NIL	\$20,000,000
Shareholder's equity			
First Preferred Shares issuable in series (2)	unlimited	NIL	NIL
Common shares (2)	unlimited	\$ 2,500,000 (7,500,000 shs.)	\$ 2,500,000 (7,500,000 shs.)
Earnings retained in the business (3)		\$84,964,000	\$61,808,000

- (1) On May 18, 1983, the board of directors of the Company declared a quarterly dividend of \$3.156 million payable to the Selling Shareholder which was paid on June 2, 1983. The board of directors on May 18, 1983 also declared a special dividend of \$20 million payable to the Selling Shareholder not later than July 30, 1983. The Company has agreed in principle to issue unsecured long-term debt to an affiliate of Campbell Soup Company in order to fund the payment of the special dividend. Such debt is expected to have a term to maturity of 10 years and an interest coupon of 12%, and is expected to be issued at a discount to yield 12% to maturity.
- (2) After giving effect to the creation of the First Preferred Shares and the subdivision of the Company's common shares on a 300 for 1 basis which became effective on May 18, 1983.
- (3) Earnings retained in the business are as at May 1, 1983.
- (4) Reference is made to Note 10 to the consolidated financial statements with respect to commitments under operating leases.

Dividend Policy and Dividend Record

In the fiscal periods noted below, dividends per common share have been paid by the Company as follows (after giving effect to the subdivision of the Company's common shares on a 300 for 1 basis which became effective on May 18, 1983):

Nine months		Fiscal years				
1983	1982	1982	1981	1980	1979	1978
(unaudited)			(\$000s)			
\$1.25	\$.80	\$.80	\$1.67	\$1.31	\$.53	\$.31

Until 1979, the net earnings of the Company were utilized principally for the expansion of operations in Canada rather than for the payment of dividends to Campbell Soup Company. During the fiscal years 1960 to 1979, the Company paid dividends to Campbell Soup Company averaging 31% of the Company's net earnings.

In December 1979, Campbell Soup Company caused the Company to initiate a policy of declaring and paying quarterly cash dividends approximately equal to the net earnings of the Company for that quarter. This policy was terminated in May, 1983 and the last of such dividends was declared on May 18, 1983 in the amount of \$3.156 million, payable to the Selling Shareholder, in respect of the Company's third quarter ended May 1, 1983. In addition, on May 18, 1983, the board of directors of the Company declared a special dividend of \$20 million payable to the Selling Shareholder.

On June 21, 1983, the board of directors of the Company declared a quarterly dividend of \$0.13 per share, payable on September 2, 1983 to shareholders of record on August 2, 1983. The board of directors intends to continue to consider the payment of regular quarterly dividends on the outstanding common shares of the Company. The payment and the amount of such dividends will be determined by the board of directors after due consideration of the financial condition of the Company and all other relevant factors.

Directors and Officers

The name, municipality of residence, office and principal occupation of each of the directors and officers of the Company are as follows:

<u>Name and municipality of residence</u>	<u>Office</u>	<u>Principal occupation</u>
ALEXANDER M. WILLIAMS Rosemont, Pennsylvania, U.S.A.	Chairman of the Board and Director	Executive Vice President, Campbell Soup Company and President, Campbell International Division; and Chairman of the Board of the Company
*C. DAVID CLARK Toronto, Ontario	President and Director	President and Chief Executive Officer of the Company
W. GODFREY DROVER Mississauga, Ontario	Senior Vice President — Operations and Director	Senior Vice President — Operations of the Company
JOHN H. GRISDALE Toronto, Ontario	Senior Vice President — Administration and Corporate Services and Director	Senior Vice President — Administration and Corporate Services of the Company
*JACQUES J. GIASSEN Town of Mount Royal, Quebec	Director	Chairman of the Board and Chief Executive Officer, Groulx - Robertson Ltd. (manufacture and sale of industrial solvents)
EDWARD J. M. HUYCKE Q.C. Toronto, Ontario	Director	Partner, Osler, Hoskin & Harcourt (barristers and solicitors)
BURTON C. MATTHEWS Waterloo, Ontario	Director	Chairman, Ontario Council on University Affairs
R. GORDON MCGOVERN Ridgefield, Connecticut, U.S.A.	Director	President and Chief Executive Officer, Campbell Soup Company
GEORGE L. O'LEARY West Vancouver, B.C.	Director	Chairman, President and Chief Executive Officer, Scott Paper Company Limited (manufacture and sale of paper products)
†*JOHN A. RHIND Toronto, Ontario	Director	Chairman of the Board and Chief Executive Officer, Confederation Life Insurance Company (life insurance)
JOHN HOSPODAR, JR. Mississauga, Ontario	Senior Vice President — Controller and Secretary	Senior Vice President — Controller and Secretary of the Company
PETER M. BARKLA Mississauga, Ontario	Vice President — Human Resources	Vice President — Human Resources of the Company
NORMAN F. BARNES Oakville, Ontario	Vice President — Marketing	Vice President — Marketing of the Company
ROBERT J. GALLOWAY Toronto, Ontario	Vice President — Advertising and Marketing Services	Vice President — Advertising and Marketing Services of the Company
CHARLES J. GOWER Weston, Ontario	Vice President — Sales	Vice President — Sales of the Company
WILLIAM A. CRAIG Toronto, Ontario	Treasurer	Treasurer of the Company

*Member of the Audit Committee.

†Chairman of the Audit Committee.

During the last five years all directors and officers have been associated in various capacities with the companies or firms opposite their names or with related or affiliated companies except for C. David Clark who between April, 1982 and March, 1983 was President and Chief Executive Officer of Thomas J. Lipton Inc. and prior thereto held positions of increasing responsibility with that company; Mr. Jacques J. Giasson who prior to December, 1981 was President, Groupe Immobilier Giasson Inc. and prior to May, 1981 was President and Chief Executive Officer, St. Lawrence Cement Co.; and Burton C. Matthews who prior to March, 1982 was Vice-Chairman, Ontario Council on University Affairs and prior to November, 1981 was President, University of Waterloo.

Remuneration of Directors and Officers

The following table sets forth the aggregate remuneration paid or payable in respect of the fiscal year ended August 1, 1982 by the Company to the directors and officers of the Company in their capacity as such and the estimated pension benefits payable at normal retirement age to such officers.

	From office, employment and employer contributions (Fixed remuneration)		Estimated pension benefits (Conditional remuneration)		Other (Other remuneration)
	<u>Sums of money</u>	<u>Benefits</u>			
(i) Directors (Total Number: 9) (1)					
From the Company	\$ 30,800	\$ —	\$ —		\$ —
(ii) Five Senior Officers:					
From the Company	440,282	16,173	153,131		—
(iii) All Officers with Remuneration Over \$50,000 (Total Number: 8) (2)					
From the Company	606,462	22,800	241,804		—

(1) Of the 9 Directors, 4 were officers of the Company or Campbell Soup Company who received no remuneration as Directors.

(2) The 8 officers together with one other officer who received no remuneration from the Company, are all of the senior executives of the Company.

Details of the Offering and Share Capital

This offering consists of 2,250,000 Common Shares of the Company. All of the common shares of the Company are currently owned by the Selling Shareholder. After giving effect to this issue, the Selling Shareholder will own approximately 70% of the issued and outstanding common shares of the Company. The Company will not receive any of the proceeds of this offering.

The authorized share capital of the Company consists of an unlimited number of First Preferred Shares, issuable in series, and an unlimited number of common shares. At June 21, 1983, none of the First Preferred Shares were issued or outstanding and 7,500,000 common shares were issued and outstanding.

Each common share entitles the holder to one vote at all meetings of shareholders, to receive any dividend declared on such share and to participate equally in the remaining property of the Company on a liquidation, dissolution or winding up. The holders of the common shares will not be entitled to vote separately as a class or to exercise appraisal rights with respect to a proposal to amend the articles of the Company to: (i) increase or decrease the maximum number of authorized common shares or increase the maximum number of authorized shares of any class of shares having rights or privileges equal or superior to the common shares; (ii) effect an exchange, reclassification or cancellation of all or any of the common shares; or (iii) create a new class of shares equal or superior to the common shares. There are no pre-emptive, redemption, purchase or conversion rights attaching to the common shares. All of the outstanding common shares are fully paid and non-assessable.

The First Preferred Shares, as a class, shall be entitled to preferences over the common shares of the Company and any other shares of the Company ranking junior to the First Preferred Shares with respect to the payment of dividends and distributions in the event of a liquidation, dissolution or winding up. Any series of First Preferred Shares which may be issued by the board of directors of the Company shall have such other rights, privileges, restrictions and conditions as the board of directors may determine.

Plan of Distribution

Under an agreement dated June 21, 1983 (the “Underwriting Agreement”) between the Company and the Selling Shareholder, and McLeod Young Weir Limited and First Boston Canada Limited (the “Underwriters”), the Selling Shareholder has agreed to sell and the Underwriters have agreed to buy 2,250,000 Common Shares at a price of \$36,000,000, payable in cash against delivery of the certificates therefor on or about July 12, 1983 (or on such other date not later than July 26, 1983 as may be agreed upon). The Selling Shareholder will pay to the Underwriters a fee of \$1,890,000 for their services rendered, including acting as financial advisors to the Selling Shareholder, assisting in the preparation of the prospectus and forming and managing banking and selling groups for the distribution of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement are several and not joint, may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all the Common Shares if any such shares are purchased under the Underwriting Agreement.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the common shares of the Company at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Each Underwriter has agreed, and each member of the banking and selling groups will agree, that, in connection with the distribution of the Common Shares and for 90 days after completion of the distribution, it will not, either as principal or agent, offer, sell or deliver any of the Common Shares in the United States (including its territories and possessions) or to any person or other entity who it has reason to believe is a resident or national of the United States or is purchasing for the account of any such resident or national or for resale either in the United States or to any such resident or national. The term “national of the United States” includes a United States citizen and a corporation organized under the laws of any jurisdiction in the United States, but does not include a corporation organized under the laws of any jurisdiction outside the United States, nor a Canadian branch of a United States insurance company.

Each Underwriter has further agreed, and each member of the banking and selling groups will further agree, not to offer, sell or deliver any of the Common Shares during the distribution thereof to purchasers having principal addresses outside of Canada.

Interest of Management and Others in Material Transactions

Messrs. R. G. McGovern, a director of the Company, and A. M. Williams, Chairman of the Board of the Company, are officers, directors and shareholders of Campbell Soup Company, which currently owns all of the outstanding common shares of the Selling Shareholder. The Selling Shareholder in turn currently owns all of the outstanding common shares of the Company. Mr. Williams is also an officer of the Selling Shareholder.

In the ordinary course of its business, the Company enters into transactions with Campbell Soup U.S., including the purchase and sale of products and other transactions as described under “Relationship with Campbell Soup U.S.”.

Material Contract

Except for contracts entered into in the ordinary course of business, the only material contract entered into by the Company within the two years preceding the date hereof is the Underwriting Agreement dated June 21, 1983 between the Company and the Selling Shareholder, and the Underwriters as described under “Plan of Distribution”, a copy of which may be examined at the Company’s principal office during normal business hours at any time during the period of distribution of the Common Shares and for a period of thirty days thereafter.

Legal Opinions

The matters referred to under “Eligibility for Investment” and other legal matters relating to the offering will be approved at the date of closing on behalf of the Company and the Selling Shareholder by Osler, Hoskin & Harcourt and on behalf of the Underwriters by Borden & Elliot.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Price Waterhouse, P.O. Box 51, Toronto-Dominion Centre, Toronto, Ontario. M5K 1G1.

The transfer agent and registrar for the common shares of the Company is The Canada Trust Company at its principal offices in Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

Auditors' Report

To the Directors of
CAMPBELL SOUP COMPANY LTD:

We have examined the consolidated balance sheets of Campbell Soup Company Ltd as at August 1, 1982 and August 2, 1981 and the consolidated statements of earnings and earnings retained in the business and changes in financial position for the five fiscal years ended August 1, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at August 1, 1982 and August 2, 1981 and the results of its operations and the changes in its financial position for the five fiscal years ended August 1, 1982 in accordance with generally accepted accounting principles applied on a consistent basis.

September 10, 1982
(except as to Note 11
for which the date is June 16, 1983)

(Signed) PRICE WATERHOUSE
Chartered Accountants

Campbell Soup Company Ltd

Consolidated Balance Sheet

(in thousands of dollars)

	May 1 1983 (unaudited)	August 1 1982	August 2 1981
Current assets:			
Cash	\$ 20	\$ 148	\$ 65
Temporary investments, at cost which approximates market	7,474	8,439	5,994
Accounts receivable	17,305	15,706	23,011
Inventories (Note 3)	49,966	49,465	49,495
Prepaid expenses	597	833	728
	75,362	74,591	79,293
Notes receivable from affiliated company	—	—	3,348
Plant assets, net of depreciation (Note 4)	39,546	39,845	37,518
	<u>\$114,908</u>	<u>\$114,436</u>	<u>\$120,159</u>
Current liabilities:			
Bank indebtedness	\$ 3,922	\$ 7,732	\$ 6,756
Accounts payable and accrued liabilities	14,756	12,139	14,556
Due to affiliated companies	1,475	709	673
Current income taxes	794	—	7,786
Dividend payable	—	2,954	—
	20,947	23,534	29,771
Deferred income taxes	6,497	6,594	6,966
Shareholder's equity (Note 11):			
Capital stock (Note 5)	2,500	2,500	2,500
Earnings retained in the business	84,964	81,808	80,922
	87,464	84,308	83,422
	<u>\$114,908</u>	<u>\$114,436</u>	<u>\$120,159</u>

Approved by the Board

(Signed) C. DAVID CLARK, Director

(Signed) J. H. GRIDALE, Director

The accompanying notes are an integral part of the financial statements.

Campbell Soup Company Ltd

Consolidated Statement of Earnings and Earnings Retained in the Business

(in thousands of dollars except per share amounts)

	39 weeks ended		52 weeks ended		53 weeks ended	52 weeks ended	
	May 1	May 2	August 1	August 2	August 3	July 29	July 30
	1983	1982	1982	1981	1980	1979	1978
	(unaudited)				(Note 2)		
Revenue:							
Net sales.....	\$197,065	\$185,813	\$235,360	\$240,687	\$219,874	\$145,361	\$129,056
Interest and other income	355	652	1,114	1,812	1,075	1,811	1,636
	<u>197,420</u>	<u>186,465</u>	<u>236,474</u>	<u>242,499</u>	<u>220,949</u>	<u>147,172</u>	<u>130,692</u>
Costs and expenses	182,071	172,489	217,857	220,168	200,096	131,711	117,400
Interest expense	519	1,074	1,295	728	1,330	—	—
	<u>182,590</u>	<u>173,563</u>	<u>219,152</u>	<u>220,896</u>	<u>201,426</u>	<u>131,711</u>	<u>117,400</u>
Earnings before taxes.....	14,830	12,902	17,322	21,603	19,523	15,461	13,292
Taxes on earnings	5,799	5,399	6,961	8,940	8,535	6,354	4,741
Net earnings.....	<u>\$ 9,031</u>	<u>\$ 7,503</u>	<u>\$ 10,361</u>	<u>\$ 12,663</u>	<u>\$ 10,988</u>	<u>\$ 9,107</u>	<u>\$ 8,551</u>
Earnings per share (Note 11)	<u>\$ 1.20</u>	<u>\$ 1.00</u>	<u>\$ 1.38</u>	<u>\$ 1.69</u>	<u>\$ 1.47</u>	<u>\$ 1.21</u>	<u>\$ 1.14</u>
Earnings retained in the business:							
Beginning of period.....	\$ 81,808	\$ 80,922	\$ 80,922	\$ 80,759	\$ 79,621	\$ 74,514	\$ 68,252
Net earnings	9,031	7,503	10,361	12,663	10,988	9,107	8,551
Cash dividends	(5,875)	(6,000)	(9,475)	(12,500)	(9,850)	(4,000)	(2,289)
End of period (Note 11)	<u>\$ 84,964</u>	<u>\$ 82,425</u>	<u>\$ 81,808</u>	<u>\$ 80,922</u>	<u>\$ 80,759</u>	<u>\$ 79,621</u>	<u>\$ 74,514</u>

The accompanying notes are an integral part of the financial statements.

Campbell Soup Company Ltd

Consolidated Statement of Changes in Financial Position

(in thousands of dollars)

	39 weeks ended		52 weeks ended		53 weeks ended	52 weeks ended	
	May 1 1983	May 2 1982	August 1 1982	August 2 1981	August 3 1980	July 29 1979	July 30 1978
	(unaudited)				(Note 2)		
Additions:							
Net earnings	\$ 9,031	\$ 7,503	\$10,361	\$12,663	\$10,988	\$ 9,107	\$ 8,551
Items not requiring the use of working capital —							
Depreciation	3,140	2,978	3,762	3,757	3,484	2,903	2,786
Unrealized exchange loss (gain) on affiliated company notes	—	80	—	(194)	(36)	(219)	—
Deferred income taxes	(97)	(200)	(372)	(396)	(190)	(10)	303
Funds from operations	12,074	10,361	13,751	15,830	14,246	11,781	11,640
Sale of plant assets	115	144	211	1,620	269	—	—
Repayment of affiliated company notes	—	—	3,348	—	—	—	—
	<u>12,189</u>	<u>10,505</u>	<u>17,310</u>	<u>17,450</u>	<u>14,515</u>	<u>11,781</u>	<u>11,640</u>
Deductions:							
Acquisition of subsidiary, net of working capital acquired of \$8,915 (Note 2)	—	—	—	—	1,382	—	—
Purchase of plant assets	2,956	4,361	6,300	5,666	4,455	2,913	3,318
Dividends	5,875	6,000	9,475	12,500	9,850	4,000	2,289
	<u>8,831</u>	<u>10,361</u>	<u>15,775</u>	<u>18,166</u>	<u>15,687</u>	<u>6,913</u>	<u>5,607</u>
Increase (decrease) in working capital	<u>\$ 3,358</u>	<u>\$ 144</u>	<u>\$ 1,535</u>	<u>\$ (716)</u>	<u>\$ (1,172)</u>	<u>\$ 4,868</u>	<u>\$ 6,033</u>

The accompanying notes are an integral part of the financial statements.

Campbell Soup Company Ltd

Notes to Consolidated Financial Statements

August 1, 1982

(all dollar amounts in thousands)

(Information relating to the thirty-nine weeks ended
May 1, 1983 and May 2, 1982 is unaudited)

1. Summary of significant accounting policies:

Principles of consolidation — The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary company.

Inventories — Raw materials, containers and supplies are priced at cost but not in excess of current replacement cost. Finished products are priced at cost but not in excess of selling price less distribution costs. Cost for the Company is based on average cost and for the subsidiary is on a first-in, first-out basis.

Plant assets — Alterations and major overhauls which substantially extend the lives of properties or materially increase their capacity are capitalized. The amounts of property disposals are removed from plant assets and accumulated depreciation accounts and the differences included in earnings. Ordinary repairs and maintenance are charged to operating costs.

Depreciation — Depreciation provided in costs and expenses is on the straight-line method using rates designed to write off the cost of assets over their estimated useful lives.

Pension plan — The Company has a non-contributory pension plan covering substantially all employees. Past service pension costs are being amortized over the period to 1989.

Translation of foreign currencies — Monetary assets and liabilities denominated in United States dollars are translated at the approximate year-end rate of exchange and non-monetary assets are translated at historical rates. Exchange gains or losses arising on translation of long-term monetary assets with a fixed or ascertainable life are amortized over the remaining life of the asset. All other exchange adjustments are taken to income.

2. Acquisition of subsidiary:

On August 28, 1979 the Company acquired all the outstanding shares of Cerebos (Canada) Limited and certain debt owing by that company for an aggregate price of \$10,297. The acquisition has been accounted for as a purchase effective August 1, 1979. Accordingly, the results of operations of Cerebos (Canada) Limited and its wholly-owned subsidiaries, CanVin Products Limited and Gattuso Corporation Ltd., have been included in the consolidated financial statements from August 1, 1979.

The net assets of Cerebos (Canada) Limited at the effective date of acquisition, at the amounts assigned by the Company, comprised the following:

Current assets	\$16,303
Less: Current liabilities	<u>7,388</u>
Working capital	8,915
Plant assets	2,073
Deferred income taxes	<u>(691)</u>
	<u>\$10,297</u>

3. Inventories:

	May 1 1983 (unaudited)	August 1 1982	August 2 1981
Raw materials, containers and supplies	\$17,874	\$18,776	\$19,963
Finished products	<u>32,092</u>	<u>30,689</u>	<u>29,532</u>
	<u>\$49,966</u>	<u>\$49,465</u>	<u>\$49,495</u>

4. Plant assets, at cost:

	May 1 1983	August 1 1982	August 2 1981
	(unaudited)		
Land	\$ 1,004	\$ 1,004	\$ 1,004
Buildings	33,659	33,125	29,563
Machinery and equipment	52,978	51,187	48,710
Projects in progress	368	488	1,227
	<u>88,009</u>	<u>85,804</u>	<u>80,504</u>
Less: Accumulated depreciation	<u>48,463</u>	<u>45,959</u>	<u>42,986</u>
	<u>\$39,546</u>	<u>\$39,845</u>	<u>\$37,518</u>

5. Capital stock:

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value of which 25,000 shares were issued and fully paid at August 1, 1982 and August 2, 1981. (Note 11).

6. Transactions with related parties:

The Company is a wholly-owned subsidiary of Campbell Investment Company which in turn is wholly owned by Campbell Soup Company. The Company's operations include certain purchases of raw materials from and sales of finished products to affiliated companies. Such transactions are not significant to the Company's results. In addition, costs and expenses include amounts charged by Campbell Soup Company in respect of management advice and services.

7. Pension plan:

The total unfunded past service liability at December 31, 1981, the date of the most recent valuation, has been estimated by independent actuaries to be approximately \$1,593.

Costs and expenses include pension expense for the 39 week periods in 1983 — \$1,637; 1982 — \$1,633, and for the fiscal years 1982 — \$2,066; 1981 — \$2,327; 1980 — \$2,527; 1979 — \$1,695 and 1978 — \$1,962.

8. Research and development expenditures:

Costs and expenses include research and development expenditures for the 39 week periods in 1983 — \$626; 1982 — \$526, and for the fiscal years 1982 — \$733; 1981 — \$439; 1980 — \$443; 1979 — \$327 and 1978 — \$247.

9. The Company:

The Company and its subsidiary are manufacturers, packagers and distributors in Canada of prepared convenience foods and as such are considered to operate in one industry segment.

10. Lease commitments:

As at August 1, 1982, the minimum future operating lease commitments are as follows:

1983	\$1,135
1984	1,057
1985	773
1986	641
1987	566
1988 and thereafter	<u>1,201</u>
	<u>\$5,373</u>

11. Subsequent events:

- Effective May 18, 1983, the Company's articles were amended to authorize an unlimited number of First Preferred Shares, issuable in series, and to subdivide the 25,000 issued and outstanding common shares on a 300 for one basis. Following this amendment, the Company's issued and fully paid capital stock consists of 7,500,000 common shares carried at \$2,500.
- The amounts shown for earnings per share are based on 7,500,000 common shares outstanding after the subdivision referred to above.
- In addition to regular dividends of \$5,875 declared and paid in the nine months ended May 1, 1983, the board of directors, on May 18, 1983, declared dividends aggregating \$23,156 payable to Campbell Investment Company. The Company has agreed in principle to fund the payment of \$20,000 of such dividends through the issuance of unsecured long-term debt to an affiliated company.

Purchasers' Statutory Rights

Sections 70, 126 and 135 of the Securities Act (Ontario) and sections 106, 168 and 175 of the Securities Act (Alberta) provide, in effect, that where a security is offered in the course of a distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest prospectus and any amendment to the prospectus offering such security, in the case of the Securities Act (Ontario), is received or deemed to be received by the purchaser or his agent or, in the case of the Securities Act (Alberta), is received by the purchaser; and
- (b) if a prospectus together with any amendment thereto contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution shall be deemed to have relied on such misrepresentation provided, in the case of the Securities Act (Ontario), that it was a misrepresentation at the time of purchase, and, subject to the limitations set forth in such Acts:
 - (1) has a right of action for damages against:
 - (i) the issuer or a selling security holder on whose behalf the distribution is made,
 - (ii) each underwriter required to sign the certificate required by section 58 of the Securities Act (Ontario) and section 91 of the Securities Act (Alberta),
 - (iii) every director of the issuer at the time the prospectus or amendment was filed,
 - (iv) every person or company whose consent has been filed pursuant to a requirement of the regulations under such Acts but only with respect to reports, opinions or statements made by them, and
 - (v) every other person or company who signed the prospectus or the amendment,but no action to enforce such right of action can be commenced by a purchaser more than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action and, in the case of the Securities Act (Ontario), three years or, in the case of the Securities Act (Alberta), one year after the date of the transaction that gave rise to the cause of action; or
 - (2) where the purchaser purchased the security from a person or company referred to in (i) or (ii) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, company or underwriter, in which case he shall have no right of action for damages against such person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that gave rise to the cause of action.

Sections 71 and 72 of The Securities Act (Saskatchewan) and sections 63 and 64 of The Securities Act (Manitoba) provide, in effect, that where a security is offered in the course of distribution to the public:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by the purchaser or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security, as of the date of receipt or deemed receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, unless the untrue statement of the fact or the omission was not known and could not have been known with the exercise of reasonable diligence by the issuer or the underwriter, but no action to enforce this right of rescission can be commenced after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by the purchaser or his agent.

Sections 60 and 61 of the Securities Act (British Columbia), Sections 25 and 26 of the Securities Ordinance (Northwest Territories) and Sections 25 and 26 of the Securities Ordinance (Yukon Territory) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus together with financial statements and reports and summaries of reports relating to the securities, as filed with the Superintendent of Brokers of British Columbia, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell the security within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

Section 29 of the Regulations under the Securities Act (Quebec) provides that the following statement be included in this prospectus. "Securities legislation in several of the provinces provides purchasers with the right to withdraw from an agreement to purchase the securities within two business days after receipt of this prospectus and any amendment, as well as remedies for rescission or, in certain provinces, damages where the prospectus contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his province. The purchaser should refer to any applicable provisions of the securities legislation of his province for the particulars of these rights or consult with a legal advisor."

Certificates

Dated: June 21, 1983

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part III of the Securities Ordinance (Yukon Territory), by Part III of the Securities Ordinance (Northwest Territories), by Part 7 of the Securities Act (British Columbia), by Part 8 of the Securities Act (Alberta), by Part VIII of The Securities Act (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part XIV of the Securities Act (Ontario) and the respective regulations thereunder and by section 13 of the Securities Act (New Brunswick). This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed as required by the Securities Act (Quebec) and the regulations thereunder.

(Signed) C. DAVID CLARK
President and
Chief Executive Officer

(Signed) J. HOSPODAR, JR.
Senior Vice President —
Controller and Secretary

On behalf of the Board of Directors

(Signed) E. J. M. HUYCKE
Director

(Signed) W. G. DROVER
Director

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part III of the Securities Ordinance (Yukon Territory), by Part III of the Securities Ordinance (Northwest Territories), by Part 7 of the Securities Act (British Columbia), by Part 8 of the Securities Act (Alberta), by Part VIII of The Securities Act (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part XIV of the Securities Act (Ontario) and the respective regulations thereunder and by section 13 of the Securities Act (New Brunswick). To our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed as required by the Securities Act (Quebec) and the regulations thereunder.

MCLEOD YOUNG WEIR LIMITED

FIRST BOSTON CANADA LIMITED

By: (Signed) DAVID T. C. MOORE

By: (Signed) JOHN A. WILCOX

The following includes the name of every person or company having an interest, either directly or indirectly, to the extent of not less than five percent in the capital of:

MCLEOD YOUNG WEIR LIMITED: A. G. E. Taylor, T. E. Kierans, F. B. Farrill, D. T. C. Moore, T. R. W. Crawford, C. D. G. Hackett, A. D. Massey, D. F. Sullivan, J. S. A. MacDonald, W. D. Wilson, W. J. Bennett, K. M. Edwards, I. W. Delaney, W. J. Corcoran and Shearson/American Express Inc.

FIRST BOSTON CANADA LIMITED is a wholly-owned subsidiary of The First Boston Corporation.



